FEDERAL HOUSING FINANCE AGENCY

NEWS RELEASE

Fannie Mae and Freddie Mac Complete Nearly 2 Million Foreclosure Prevention Actions With More Than One Million Permanent Loan Modifications Since Conservatorship
HARP Refinancings Continue Increase

Washington, DC – Fannie Mae's and Freddie Mac's foreclosure prevention activity increased in the third quarter of 2011 and total nearly 2 million foreclosure prevention actions since the beginning of conservatorship in 2008. During this period, the Enterprises completed one million loan modifications, helping borrowers stay in their homes.

According to the Federal Housing Finance Agency's third quarter 2011 *Foreclosure Prevention & Refinance Report*, the increase in completed foreclosure prevention activity in the third quarter was driven primarily by loan modifications and repayment plans. Two-thirds of all borrowers who received loan modifications in the third quarter had their monthly payments reduced by over 20 percent. Additionally, the Enterprises' cumulative refinancings through the Home Affordable Refinance Program (HARP) increased 11 percent during the third quarter to nearly 928,600 loans.

Also in the report:

- The Enterprises have completed nearly 2 million foreclosure prevention actions since the start of conservatorship. Nearly 1.7 million of these actions have allowed borrowers to retain homeownership, with more than one million being permanent loan modifications.
- Loans modified since the start of HAMP are performing substantially better compared with loans modified in earlier periods.
- Serious delinquency rates continued to decline. However, the percentage of loans that have missed one payment increased during the third quarter.
- REO inventory declined for the fourth consecutive quarter as property dispositions continued to outpace acquisitions in the third quarter.

Link to third quarter 2011 *Foreclosure Prevention & Refinance Report*

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